

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF IOWA

In re:) Chapter 11
) Case No. 21-01643-als11
QHC FACILITIES, et al¹)
) Hon. Anita L. Shodeen
Debtors and Debtors in Possession)
) **MOTION TO CONTINUE HEARINGS**
) **RE: CURE AMOUNTS AND ORAL**
) **ARGUMENTS**
)
)
) Hearings: August 25, 2022
) Times: 9:00 a.m. and 1:30 p.m.
) Courtroom 1
)

COMES NOW, QHC Facilities, LLC and its affiliates in the above referenced cases (the “Debtors” or “QHC”), Debtors and Debtors-in-Possession herein, by and through their duly-employed, General Reorganization Counsel, Jeffrey D. Goetz, Esq. and Tirzah R. Roussell, Esq. of the law firm Bradshaw, Fowler, Proctor & Fairgrave, P.C., and General Reorganization Co-Counsel, Krystal R. Mikkilineni, Esq., of the law firm Dentons Davis Brown, respectfully file this motion to continue hearings re: the cure amounts (the “Cure Hearing”) and oral arguments regarding Cedar’s Motion for Summary Judgment and the Debtors’ Resistance and Cross Motion (the “Oral Arguments”) currently scheduled for August 25, 2022 (the “Motion”), and in support of their Motion, state to the Court as follows:

1. On December 29, 2021 (the “Petition Date”), the Debtors filed their respective voluntary chapter 11 petitions. The Debtors continue to be authorized to operate their businesses

¹ The Jointly Administered Debtors in this proceeding are *In re QHC Management, LLC* (Case No. 21-01644-als11), *In re QHC Mitchellville, LLC* (Case No. 21-01645-als11), *In re QHC Winterset North, LLC* (Case No. 21-01646-als11), *In re QHC Madison Square, LLC* (Case No. 21-01647-als11), *In re QHC Fort Dodge Villa, LLC* (Case No. 21-01648-als11), *In re QHC Crestridge, LLC* (Case No. 21-01649-als11), *In re QHC Crestview Acres Inc.* (Case No. 21-01650-als11), *In re QHC Humboldt North, LLC* (Case No. 21-01651-als11), *In re QHC Humboldt South, LLC* (Case No. 21-01652-als11) and *In re QHC Villa Cottages, LLC* (Case No. 21-01653-als11).

and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

ORAL ARGUMENTS

2. On May 26, 2022, Cedar Healthgroup filed a Motion for Summary Judgment (Docket No. 322).

3. On June 30, 2022, the Debtors filed a Resistance and Cross Motion for Summary Judgment (Docket No. 364), and the Official Committee of Unsecured Creditors filed a Joinder to Debtors' Resistance and Cross Motion (Docket No. 367).

4. On July 14, 2022, Cedar Healthgroup filed a Response and Objection to Debtors' Resistance and Cross Motion (Docket Nos. 375 and 376).

5. On July 18, 2022, the Court filed a Notice and Order setting the Oral Arguments for hearing on August 25, 2022 (Docket No. 381).

CURE AMOUNTS

6. On February 18, 2022, the Debtors filed the Notice: Re Cure Amounts (the "Cure Notice") which lists the Medicare provider agreements as executory contracts. (Docket No. 180).

7. On March 1, 2022, Debtors filed an amendment to the Cure Notice (the "Cure Notice Amendment") (Docket No. 189).

8. On March 9, 2022, the Debtors filed a second amendment to the Cure Notice (the "Second Amendment to the Cure Notice") (Docket No. 206).

9. On July 1, 2022, the United States filed an Objection to the Cure Notice (the "US' Objection") (Docket No. 366).

10. On July 7, 2022, the Court set a hearing for August 1, 2022, regarding the Cure Amounts (the "August 1st Hearing") (Docket No. 372).

11. On July 20, 2022, the Debtors filed a third amendment to the Cure Notice (the “Third Amendment to the Cure Notice”) (Docket No. 387).

12. On July 19, 2022, the United States filed a Motion to Continue the August 1st Hearing (Docket No. 385), and on July 21, 2022 the Court continued the August 1st Hearing to August 25, 2022 (Docket No. 391).

13. Additional time is needed while the parties are engaging in a global settlement and good-faith settlement negotiations, and the parties desire to continue such good-faith settlement negotiations. In light of judicial economy, and keeping attorneys’ fees and costs down, the parties believe it is in the best interests of the Debtors, their estates, and creditors to continue both the Cure Hearing and Oral Arguments.

14. Counsel for the Official Committee of Unsecured Creditors, Cedar Healthgroup, and the United States, specifically on behalf of the U.S. Department of Health and Human Services and its designated component, the Centers for Medicare and Medicaid Services, consent to relief sought herein.

15. As such, the Debtors respectfully request a continuance of the Oral Arguments and Cure Hearing scheduled on August 25, 2022. The parties are in agreement on the continuance, however, the parties have not agreed on a said date. Therefore, the Debtors request a status conference next week, preferably Monday or Tuesday, at the convenience of the Court, to determine the continuance date.

WHEREFORE, the Debtors, respectfully request (I) a continuance of the Oral Arguments and Cure Hearing, and (II) a status conference, preferably Monday or Tuesday, at the convenience of the Court, to determine the continuance date, and for such other and further relief as it deems just and equitable under the circumstances.

Date: August 19, 2022

Respectfully submitted,

/s/ Tirzah R. Roussell

Jeffrey D. Goetz, Esq., AT0002832
Tirzah R. Roussell, Esq. AT0014113
Bradshaw Fowler Proctor & Fairgrave, P.C.
801 Grand Avenue, Suite 3700
Des Moines, IA 50309-8004
515/246-5880
515/246-5808 FAX
goetz.jeffrey@bradshawlaw.com
roussell.tirzah@bradshawlaw.com

General Reorganization Counsel
for Debtors and Debtors in Possession

Krystal R. Mikkilineni, Esq., AT0011814
Dentons Davis Brown
The Davis Brown Tower
215 10th Street, Suite 1300
Des Moines, IA 50309
(515) 246-7943
krystal.mikkilineni@dentons.com

General Reorganization Co-Counsel for
Debtors and Debtors in Possession

CERTIFICATE OF SERVICE

This document was served electronically on parties who receive electronic notice through CM/ECF as listed on CM/ECF's notice of electronic filing.

/s/ Barbara Warner